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STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

STATE PROCUREMENT OFFICE
STATE OF HAWAII

1. TO: Chief Procurement Officer
2. FROM: Director, Department of Business, Econ. Dev., and Tourism

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

The American Recovery and Reinvestment Act of 2009 (ARRA) appropriates funding for the US Department of Energy to award grants under the Hawaii State Energy Program (SEP). . This contract is part of a State Energy Program (SEP) program to improve energy efficiency through public sector and utility projects funded by the Energy Efficiency and Conservation Block Grant (EECBG) in the amount of \$200,000 and the State Energy Efficiency Appliance Rebate Program (SEEARP) in the amount of \$300,000. These projects will help meet the energy efficiency goals of the Hawaii Clean Energy Initiative which calls for energy efficiency savings of 3400GWH by 2030. Funds will support Kauai Island Utility Cooperative demand-side management programs for Residential Solar Water Heaters and replacing refrigerators/refrigeratorfreezers and/or other appliances with EnergyStar appliances. Estimated annual savings for SWH are 2429 kwh per unit; for refrigerator/freezers, 105 kwh per unit.

4. Name of Vendor: Kauai Island Utility Cooperative

Address: 4463 Pahee St., Lihue, Hawaii

5. Price:

\$500,000

6.

Term of Contract:

From: ~~Dec. 2009~~ To: Nov. 2014

date of Governor's approval

7. Prior Exemption Ref. No.

NA

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Procurement by competitive means is not practicable or advantageous to the State. U.S. Department of Energy SEP officials have encouraged us to contract with utilities and 3rd party administrators. DBEDT does not have access to KIUC's electricity user infrastructure and another entity would also not have access. Procurement by competitive means would not go forward in an expeditious manner.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

By statute the Public Utilities Commission's 3rd party administrator, serves customers of HECO, MECO, and HELCO. The 3rd party administrator does not serve KIUC. Therefore, any utility customer programs for KIUC are managed by KIUC. The partnership and co-sponsorship of these programs with KIUC is valuable to DBEDT to ensure continued efforts to carry out its statutory energy efficiency goals and requirements of the ARRA for residential energy efficiency and consumer appliance rebates.

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

10. A description of the agency's internal controls and approval requirements for the exempted procurement:
Under the ARRA grants, DBEDT is under stringent U.S. Department of Energy requirements for managing and reporting of projects. These requirements are spelled out in the specific grant awards. Since ARRA is a new program, federal reporting requirements are not yet completely established. DBEDT will follow procurement requirements of 103D for this procurement. Internal controls for ARRA State Energy Program procurements have been established in the Director's office and in the Strategic Industries Division.

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:

Name	Position	Involvement in Process	
Theodore E. Liu	Director	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Administration
Eileen Harada	Contracts Officer	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Theodore A. Peck	Administrator, State Energy Prog	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Carilyn O. Shon	Manager, Energy Efficiency Branc	<input checked="" type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Jeffrey Pang	Research Statistician	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration
Elizabeth Raman	Energy Conservation Program Spec	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Administration

13. Direct inquiries to: Department: DBEDT
Contact Name: Elizabeth Raman
Phone Number: 587-3806
Fax Number: 586-2536

Agency shall ensure adherence to applicable administrative and statutory requirements

14. ~~I certify that the information provided above is, to the best of my knowledge, true and correct.~~



Department Head

SEP 28 2009

Date

Reserved for SPO Use Only

15. Date Notice Posted 10-8-09

The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to:

Chief Procurement Officer
State Procurement Office
P.O. Box 119
Honolulu, Hawaii 96810-0119

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

Chief Procurement Officer's comments:

This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply and conditioned upon approvals pursuant to Executive Memorandums. Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.

16.



APPROVED



DISAPPROVED



NO ACTION REQUIRED

Clara S. Fyfe
Chief Procurement Officer

Date

12/2/09